COMMITTEE ON FINANCIAL SERVICES SUBCOMMITTEES CONSUMER PROTECTION AND FINANCIAL INSTITUTIONS

Congress of the United States House of Representatives Washington, DC 20515-3313

November 3, 2022

The Honorable Joseph R. Biden Jr. The White House 1600 Pennsylvania Avenue Washington, DC 20500

Dear President Biden:

Recent reports have highlighted an alarming shortage of diesel fuel in the domestic market. The latest data from the U.S. Energy Information Administration show that the U.S. has only a 26 day supply of diesel fuel—the lowest level since 2008. Even though diesel markets use a "just in time" supply model, the market usually has 30–40 day supply. Specifically, supplies on the east coast currently hold less than 25 million barrels in storage, which is about half of the supply in a normal year. This puts fuel markets at heightened risk of supply disruptions, whether that be from spikes in demand or cyberattacks like the one perpetrated against the Colonial Pipeline last year.

Diesel is critically important to America's transportation network and the economy as a whole. Nearly all consumer goods, from grocery store food to clothing, are transported using diesel powered trucks or trains. Moreover, diesel fuels a wide range of other vehicles and equipment used on farms, at construction sites, and in the military. Agriculture is North Carolina's top industry. Farmers in my state rely on a dependable, low cost supply of diesel to keep their farms operating and ensure Americans up and down the east coast have food to put on the table. A disruption to the diesel supply chain would have catastrophic effects throughout the economy and for our national security.

There is little doubt that your administration's anti-energy policies have contributed to this problem. From canceling the Keystone Pipeline to drastically reducing new oil and gas leases on federal land, your administration's policies are artificially restricting the main ingredient in diesel fuel. Even your politically motivated releases from the Strategic Petroleum Reserve have not mollified this crisis. Worse yet, on Monday you announced several threats against fuel producers that include new taxes and "other restrictions" that you did not further describe. Increasing taxes and burdens on energy producers will do nothing to lower fuel prices and increase supply.

In June 2020, you promised to "end fossil fuels." Two years later, the American people are paying the price for this radical policy. I urge you to cease your Administration's war on energy and reverse policies that restrict the supply of domestic energy production.

Sincerely,

Ted Budd

Member of Congress